

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

McCallsburg Post Office
McCallsburg, Iowa 50154
(Robin D. Pruisner, Petitioner)

Docket No. A2012-86

UNITED STATES POSTAL SERVICE COMMENTS REGARDING APPEAL
(January 23, 2012)

By means of PRC Order No. 1042 (December 13, 2011), the Postal Regulatory Commission docketed correspondence¹ from a customer of the McCallsburg, Iowa Post Office, assigning PRC Docket No. A2012-86 as an appeal pursuant to 39 U.S.C. § 404(d). In accordance with PRC Order No. 1042, the administrative record was filed with the Commission on December 14, 2011. Petitioner filed a participant statement on January 3, 2012.²

The initial correspondence and participant statement received by the Commission in this docket raise four main issues: (1) the effect on postal services, (2) the impact upon the McCallsburg community, (3) the calculation of economic savings, and (4) the effect on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the Final Determination to Close the McCallsburg, IA Post Office and Establish Service by Rural Route Service should be affirmed.

¹ Petition for Review Received from Robin Pruisner Regarding the McCallsburg, Iowa Post Office 50154, PRC Docket No. A2012-86 (November 29, 2011).

² Participant Statement Received from Robin D. Pruisner, PRC Docket No. A2012-86 (January 3, 2012).

Background

The Final Determination to Close the McCallsburg, IA Post Office and Establish Service by Rural Route Service (Final Determination)³ and the administrative record⁴ indicate that the McCallsburg Post Office provides EAS-11 level service 40 hours per week to retail customers, 129 Post Office Box or general delivery customers, and 85 carrier delivery customers. Item No. 33, Proposal to Close the McCallsburg, IA Post Office and Establish Service by Rural Route Service (Proposal), at 2.⁵ The postmaster position at the McCallsburg Post Office became vacant when the postmaster retired on January 29, 2010. Item No. 18, Post Office Closing or Consolidation Proposal Fact Sheet (Fact Sheet), at 1. Since that time, a noncareer postmaster relief employee has been installed to operate the McCallsburg Post Office. Item No. 33, Proposal, at 9.

The average number of daily retail window transactions at the McCallsburg Post Office is 21.8. Item No. 18, Fact Sheet, at 1. Revenue has generally declined since 2008: \$29,709 in FY 2008 (77 revenue units); \$26,980 in FY 2009 (70 revenue units); and \$25,563 in FY 2010 (67 revenue units). Item No. 33, Proposal, at 2. The McCallsburg Post Office has no meter customers and 1 permit customer. Item No. 18, Fact Sheet, at 1.

³ The Final Determination must be approved by the Vice President, Delivery and Retail (or a designee). 39 C.F.R. § 241.3(f)(2).

⁴ Petitioner alleges inconsistencies within the administrative record regarding multiple issues, but also concedes that the administrative record includes some documents that contain accurate information on these issues. Because the administrative record reflects a progressive and developing process, it is expected that the documentation will reflect greater accuracy as more information becomes available. For example, Petitioner contends that Item No. 9 reflects a zero value for work service credit, while the Final Determination reflects positive values for revenue credits. Because the Postal Service had accurate information available within the administrative record, any inconsistencies between documents does not weaken the basis for the Final Determination.

⁵ In these comments, specific items in the administrative record are referred to as "Item No. ____."

Upon implementation of the Final Determination, delivery and retail services will be administered by the Roland Post Office,⁶ an EAS-13⁷ level Post Office. Item No. 33, Proposal, at 2.

The Postal Service followed the proper procedures⁸ leading up to the posting of the Final Determination, considered and addressed the issues raised by the customers of the McCallsburg Post Office,⁹ and complied with all notice requirements.¹⁰ In addition to the posting of the Proposal and Final Determination, customers received notice through other means. On May 24, 2011, questionnaires were distributed to delivery customers and made available to retail customers of the McCallsburg Post Office. Item No. 33, Proposal, at 2. The returned customer questionnaires and Postal Service

⁶ The Roland Post Office is not listed as a candidate for discontinuance as part of the Retail Access Optimization Initiative (PRC Docket No. N2011-1).

⁷ Petitioner alleges that the administrative record contains inaccurate information regarding the classification level of the Roland Post Office, and questions whether the Postal Service considered how the discontinuance of the McCallsburg Post Office would affect the Roland Post Office's classification level. In evaluating a Post Office for discontinuance, the Postal Service assesses whether nearby postal facilities have the capability to serve customers of the studied site, but any analysis of whether nearby facilities would change levels would require speculation. It is estimated that the McCallsburg Post Office's discontinuance will add only 15 minutes of workload, which would not be sufficient for a classification level increase. Petitioner identifies no other areas in which a Post Office classification level is relevant to the appeal.

⁸ This discontinuance action was conducted under an earlier version of the United States Postal Service Handbook PO-101. Petitioner alleges numerous violations of the Handbook PO-101, and argues that these violations support the denial of the Final Determination. Handbook PO-101 acts as an internal manual addressing customer service and interaction, and thus sets goals that exceed the requirements imposed on the Postal Service by 39 U.S.C. § 404(d). Petitioner's allegations of Handbook PO-101 violations do not address the ultimate issue raised by the appeal – whether the Postal Service's Final Determination complies with 39 U.S.C. § 404(d).

⁹ Petitioner alleges that the discontinuance decision was predetermined. However, local field personnel could not predetermine the outcome because the final determination was approved at the Headquarters level upon review of the information compiled in the administrative record.

¹⁰ Petitioner alleges that the Final Determination contains inaccurate information regarding the dates of posting for the Final Determination, but does not contend that the Postal Service failed to comply with the posting requirements of 39 U.S.C. § 404(d), or that the accurate posting information appears elsewhere in the administrative record.

response letters appear in the administrative record at Item Nos. 21 and 22.¹¹ On June 15, 2011, representatives from the Postal Service attended a community meeting at the American Legion,¹² where they answered questions and provided information to customers. *Id.* The administrative record includes a Congressional inquiry from Senator Grassley. Administrative Record at pages 364-365. Customers received formal notice of the Proposal and Final Determination, as well as the right to appeal the Final Determination, through postings at the McCallsburg Post Office and nearby facilities. See Item No. 32, Proposal (reflecting posting at the Zearing, IA Post Office, the McCallsburg, IA Post Office, and the Roland, IA Post Office); Administrative Record at page 534, Final Determination (reflecting posting at McCallsburg, IA Post Office); Administrative Record at page 535, Final Determination (reflecting posting at Roland, IA Post Office); Administrative Record at page 536, Final Determination (reflecting posting at Zearing, IA Post Office).

In light of the postmaster vacancy, a minimal workload, a reduction in office revenue,¹³ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁴ minimal impact upon the community, and the expected

¹¹ Petitioner alleges that the administrative record omits a couple of documents. Petitioner does not articulate a theory for how the alleged omission of any of these documents affected the Final Determination.

¹² Petitioner alleges that a Postal Service representative did not take notes during the community meeting, and that this alleged failure resulted in an inaccurate summary in the Proposal and Final Determination. The Postal Service maintains that input from the community meeting is included in the administrative record at Item No. 25 and throughout. Notwithstanding the alleged failure to take notes at the community meeting, Petitioner and other concerned customers had the opportunity to correct any inaccuracies in the summary after the posting of the Proposal, and they could have submitted the list of questions attached to the participant statement before issuance of the Final Determination.

¹³ See Item No. 33, Proposal, at 2.

¹⁴ *Id.* at 2-7.

financial savings,¹⁵ the Postal Service issued the Final Determination.¹⁶ Regular and effective postal services will continue to be provided to the McCallsburg community in a cost-effective manner upon implementation of the Final Determination.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of discontinuing the McCallsburg Post Office on postal services provided to McCallsburg customers. The discontinuance is premised upon providing regular and effective postal services to McCallsburg customers.

In the appeal, Petitioner raises the issue of the effect on postal services resulting from the McCallsburg Post Office's discontinuance, noting the convenience of the McCallsburg Post Office and requesting its retention. These concerns were considered by the Postal Service.

The effect of the McCallsburg Post Office's discontinuance on the availability of postal services to McCallsburg residents was considered extensively by the Postal Service. Item No. 33, Proposal, at 2-7. Services provided at the Post Office, such as

¹⁵ *Id.* at 9.

¹⁶ Petitioner suggests that the Postal Service should have notified the Commission of its intention to close the McCallsburg Post Office. It appears that Petitioner has misconstrued the requirements of 39 U.S.C. § 3661, which requires the Postal Service to request an advisory opinion from the Commission before it undertakes a nationwide change in service, as addressed in the Retail Access Optimization Initiative (PRC Docket No. N2011-1). The Postal Service is not required to notify the Commission regarding a plan to discontinue a Post Office, or multiple Post Offices, unless that plan is likely to result in a change in service on a nationwide or substantially nationwide basis.

the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier.¹⁷ *Id.* Various options exist for obtaining postal services, which are explained on USPS.com. In addition to carrier service, customers may opt for Post Office Box service at the nearby Roland Post Office or Zearing Post Office, or use alternate access options, including USPS.com and Stamps By Mail®. The Final Determination reports that the Roland Post Office offers window service from 8:30 to 11:00 a.m., and 1:00 to 4:00 p.m., Monday through Friday, and 8:30 to 10:30 a.m. on Saturday.¹⁸ Administrative Record at 523, Final Determination. The Zearing Post Office offers window service from 7:30 a.m. to 12:00 p.m., and 12:30 to 3:45 p.m., Monday through Friday, and 7:30 to 10:00 a.m. on Saturday. Item No. 33, Proposal, at 2. In addition, customers opting for carrier service will have 24-hour access to their mail. *Id.* at 7.

With respect to the Petitioner's concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. Item No. 25, Postal Service Customer Community Meeting Analysis, at 2. The Postal

¹⁷ It has been determined that upon the discontinuance of the McCallsburg Post Office, cluster box units and curbside boxes are both options that will provide effective service to former customers of the McCallsburg Post Office. The flexibility regarding replacement service allows the Postal Service to best serve the community, as the effectiveness of replacement service options could depend on customer response to the discontinuance, and the extent that former McCallsburg customers will require delivery. For example, it is possible that some McCallsburg Post Office Box customers reside in another community or have a Post Office Box for business, and thus will not opt for free delivery through carrier service. If carrier service to curbside mailboxes is identified as the appropriate form of replacement service, McCallsburg customers can work with the Postal Service to resolve any installation issues arising from weather conditions.

¹⁸ Petitioner alleges that the Roland Post Office is open longer than stated in the administrative record. An understatement of the Roland Post Office's operating hours would not cause prejudice, because the longer operating hours provide greater support for the Roland Post Office's suitability as a retail service option for McCallsburg Post Office customers.

Service also sent a questionnaire to the Branch County Sheriff concerning mail theft and vandalism in the suspended Post Office area. The Story County Sheriff's Office indicated that there has been minimal mail theft or vandalism activity in the area. See Item No. 14.

Upon implementation of the Final Determination, customers will be able to obtain stamps, money orders, and special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD through the rural carrier. Item No. 33, Proposal, at 3-4. Contrary to Petitioner's assertions that requesting and receiving special services from the rural carrier will be inconvenient for customers, customer convenience may be enhanced upon implementation of the Final Determination because the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for retail services and will provide them with 24-hour access to their mail. *Id.* Rural carriers strive to provide service at approximately the same time on a daily basis. To ensure that customers are notified when the carrier approaches the delivery location, customers have the option of providing written instructions directing the carrier to sound the horn when the carrier approaches the customer's address. This will enable the customer to know when he or she will be able to meet the carrier for the purpose of obtaining retail or special services. On balance, the Postal Service maintains that rural carrier service will provide similar, if not better, service to the customers currently served by the McCallsburg Post Office.

Petitioner contends that purchasing money orders from the carrier will be inconvenient. Contrary to Petitioner's assertions that it will be inconvenient for

customers to purchase money orders from the rural carrier, customer convenience may be enhanced upon implementation of the Final Determination because the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for retail services and will provide them with 24-hour access to their mail. The Postal Service has informed the Petitioner and others that customers may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee. Item No. 23, at 4. The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day. *Id.* Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day. *Id.* As described above, customers can leave a note for carriers to sound the horn upon arrival if they prefer to conduct financial transactions in person.

Petitioner raises a concern about the ability of customers to obtain carrier pick-up for parcels weighing 13 ounces or more. The Postal Service explained that the rural carrier will accept packages for mailing and, if necessary, the carrier will estimate the cost of the package, accept payment, and complete the transaction for the customer (with any change provided later, if necessary). Item No. 25, Postal Service Customer Community Meeting Analysis, at 2. This eliminates the need to travel to a Post Office to weigh a package. A rural carrier is permitted to pick up a package weighing 13 ounces

or more if the package is shipped by a known customer, does not have stamps applied, and includes a return address that matches the pick-up point. It is not necessary for customers to meet the carrier to utilize this service, as customers have the option of placing the package and payment in their delivery receptacle for pick-up by the carrier.

With respect to the delivery of accountable items, large parcels, or medications, if customers choose rural delivery service, the Postal Service explained that if the customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of these items to the customer's residence. Item No. 33, Proposal, at 5. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. *Id.* Large parcels will be left outside the mailbox or at a location designated by the customer (if authorized by the customer), or a notice will be left in the mailbox. *Id.* Attempted delivery items will be taken back to the Post Office. *Id.* Customers may pick up the item at the Post Office or request redelivery online at [USPS.com](https://usps.com) or by calling 1-800-ASK-USPS. *Id.*

If the carrier attempts to deliver accountable mail and the addressee is unable to sign for the letter, the carrier will leave a Form 3849 informing the addressee that the carrier attempted to deliver an accountable letter. The form indicates that the letter is available in the local Post Office or the addressee may request redelivery. The addressee is offered the option of specifying the date he or she would like the letter to be delivered, and may change the redelivery address to his or her workplace (if the work location is in the same town), or designate a friend, neighbor or family member to accept the letter and the carrier will deliver the letter to that individual (if the individual is

in the same town). The original addressee may also receive the letter at the Roland Post Office on Saturday during business hours or the addressee's designee may receive the letter at the Roland Post Office, Monday through Saturday during business hours. The Postal Service offers several options for McCallsburg Post Office customers that choose to utilize rural carrier service and receive accountable mail but are unable to be home during the week to sign for such mail.

Petitioner contends that the discontinuance of the McCallsburg Post Office will cause a hardship for senior citizens who do not have internet service and do not drive. Of course, services are available to customers who do not have access to computers. Carrier service is beneficial to many senior citizens and those who face special challenges because it allows them to obtain some postal services without having to travel to the Post Office for service. Item No. 33, Proposal, at 4. In hardship cases, delivery can be made to the home of a customer. See *id.*

Petitioner inquires about the effect of the discontinuance on a bulk permit mailer. The Postal Service explained that bulk permit mail services will be available through the Roland Post Office. Item No. 33, Proposal, at 4.

Petitioner expresses a concern about mail collection. The Postal Service will continue to collect mail from McCallsburg customers, either through the use of a collection box, or through other options including collection from customer curbside mailboxes or cluster box units. See Item No. 40, Analysis of 60-Day Posting Comments, at 2.

Petitioner expresses a concern about customer costs for the use of cluster box units. The Postal Service explained that there is no charge to the customer for use of a cluster box unit. Item No. 33, Proposal, at 5.

The Postal Service has considered the impact of discontinuing the McCallsburg Post Office upon the provision of postal services to McCallsburg customers. Delivery and alternate access options provide McCallsburg customers with similar access to retail service, alleviating the need to travel to the Post Office. Item No. 33, Proposal, at 3-4. Thus, the Postal Service has properly concluded that McCallsburg customers will continue to receive regular and effective service.

Effect Upon the McCallsburg Community

The Postal Service is obligated to consider the effect of its decision to discontinue the McCallsburg Post Office upon the McCallsburg community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

McCallsburg is located in Story County. The Story County Sheriff's Office provides police protection, and the McCallsburg Fire Department provides fire protection. Item No. 33, Proposal, at 7. In general, McCallsburg residents must travel elsewhere for many supplies and services. See Item No. 21, Customer Responses to Questionnaires (reflecting customer responses to questionnaires indicating that they travel outside of McCallsburg for many supplies and services).

Petitioner's appeal raises the issue of the effect of the McCallsburg Post Office's discontinuance upon the McCallsburg community. This issue was considered extensively by the Postal Service, as reflected in the administrative record. Item No. 33, Proposal, at 2-8. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. *Id.* Communities generally require regular and effective postal services, and these will continue to be provided to the McCallsburg community.

Petitioner expresses a concern about the Postal Service's consideration of the McCallsburg Post Office discontinuance's effect on businesses in the community.¹⁹ The Postal Service considered the effect of the discontinuance on businesses in the community, and found no indication that the discontinuance would have an adverse effect.²⁰ See Item 33, Proposal, at 8. In responses to questionnaires, customers indicated that in general, they would continue to patronize local businesses if the McCallsburg Post Office is discontinued. See *id.*

Petitioner raises a concern about the loss of the community bulletin board at the McCallsburg Post Office. The Postal Service considered this concern during the study of the McCallsburg Post Office for discontinuance. See Item No. Item No. 33, Proposal,

¹⁹ Petitioner challenges the Postal Service's finding regarding the impact of the McCallsburg Post Office's discontinuance on businesses in the community based on alleged inconsistencies in documents within the administrative record. However, Petitioner concedes that at least one document in the administrative record reflects an accurate list of the businesses in the McCallsburg community, and there is no indication that the Final Determination was based on incomplete information regarding the businesses in the McCallsburg community.

²⁰ Petitioner expresses a concern about the Postal Service's delivery of mail to a school in the McCallsburg community. It is routine for carriers to deal with customers receiving a large volume of mail that does not fit in an ordinary mailbox or CBU, and they make arrangements to serve each customer's postal needs. The establishment of carrier delivery to a school would likely entail a single additional daily visit by a postal carrier, and any increase in traffic or threat to the safety of children resulting from this single visit would be minimal.

at 7. The range of potential locations for a community bulletin board is not limited to retail outlets. A community bulletin board may be located in the city hall, or a school or church in the community, and the administrative record indicates that these institutions are present in the McCallsburg community. See *id.*

Petitioner expressed a concern about the need for McCallsburg residential and business customers to make an address change on their bank checks and stationery. Customers that choose to receive delivery through Rural Route service will be assigned a 911 address, but they can continue to use the community name and ZIP Code in the last line of the address. Item No. 33, Proposal, at 7.

Petitioner questions whether the Postal Service considered growth in the McCallsburg community as part of the discontinuance study process. As reflected in the administrative record, the Postal Service considered this issue and determined that McCallsburg had experienced minimal growth in recent years. Item No. 16, Community Survey Sheet, at 1. This assessment was based on information contained in the Facilities Planning Website.²¹ *Id.* The Postal Service also explained that the growth of a community does not depend on the location of a Post Office. Item No. 33, Proposal, at 8.

Petitioner also argues that the Postal Service's decision to extend service by Rural Route service will have a negative effect on the environment. However, Petitioner's suggestion that the Postal Service's decision will have a detrimental effect on the environment is speculative. In fact, the extension of Rural Route service in the

²¹ Petitioner cites census data regarding growth over a ten year period that does not reflect the current level of growth in the community.

McCallsburg community could have positive effects on the environment, as more McCallsburg Post Office Box customers may opt for carrier service, thereby reducing the use of environmentally harmful methods of commuting to the Post Office for delivery and retail services.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of discontinuing the McCallsburg Post Office on the community served by the McCallsburg Post Office.

Economic Savings

Postal Service officials properly considered the economic savings that would result from the proposed discontinuance, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that administering delivery service at the Roland Post Office would cost the Postal Service substantially less than maintaining the McCallsburg Post Office, and would still provide regular and effective service. The amount of the estimated annual savings associated with discontinuing the McCallsburg Post Office is \$34,141. Item No. 33, Proposal, at 9.

Petitioner contends that the Postal Service's savings estimates are incorrect because a career postmaster salary was used in the calculation, instead of the lower salary paid to the OIC, and the realization of savings from labor is inconsistent with the Postal Service's statements that it will continue to employ the OIC. However, the economic savings calculation conducted as part of a discontinuance study is forward-looking; that the Postal Service might have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. The

closing of the McCallsburg Post Office results in the elimination of one career slot. If the Post Office is not discontinued, that slot will be filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

The Petitioner also states that the savings estimate does not account for additional costs to provide replacement service. However, the cost estimate includes a deduction of \$16,618, and this would include any extra space or employees, which will not be required in this case. Item No. 33, Proposal, at 9. If the Postal Service determines to provide service through the use of cluster box units, it will incur a cost of approximately \$6,000.00 for the cluster box units. There will be no additional costs attributable to installation or maintenance of cluster box units if these tasks fall within the ordinary responsibilities of Postal Service employees. Even if the Postal Service incurs an additional cost attributable to the utilization of cluster box units, it will still achieve substantial savings from the discontinuance of the McCallsburg Post Office.

Petitioner criticizes the Postal Service for failing to account for costs borne by customers to travel to other Post Offices. Such costs are not, however, required to be included in the economic savings calculation. See Order Affirming Determination, PRC Order No. 1037, PRC Docket No. A2011-49 (December 12, 2011) at 13 (“The Commission traditionally has not expected the Postal Service to account for patrons’ costs [incurred in obtaining postal services after a Post Office discontinuance]”). In this case, the Postal Service appropriately applied its financial analysis to calculate the economic savings, as the pertinent statute requires that the “economic savings *to the*

Postal Service” be factored in the savings calculation. See 39 U.S.C. § 404(d)(2)(A)(iv) (emphasis supplied).

Petitioner asserts that the Postal Service received an offer of reduced rent for the McCallsburg Post Office. A review of the administrative record indicates that labor costs far outweigh the costs that could be saved through a reduction in rent. See Item No. 33, Proposal, at 9 (providing breakdown of costs). As reflected in the Proposal, the annual lease cost is less than one-sixth of the annual labor cost. See *id.* (reflecting \$6,480 annual lease cost and over \$44,000 annual labor cost). Thus, even if the lease costs were reduced, the impact on the savings would not be substantial.

Petitioner also claims that the economic savings calculation does not account for lost revenue from Post Office Boxes.²² Presumably, this concern pertains only to customers that convert from Post Office Box service to rural carrier service. However, revenue from Post Office Box service is a relatively small proportion of a Post Office’s total revenue, and the impact of any such conversions would be trivial in relation to total savings. See PRC Docket No. N2011-1, USPS-T-1.

Petitioner questions the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the McCallsburg Post Office, including postmaster vacancy, minimal workload, declining office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), minimal impact on the community, and the expected

²² Petitioner also questions whether the Postal Service considered revenue lost to competitors. Any such estimates would be difficult to predict, and in any event, would not be expected to be significant.

financial savings. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service, in determining whether to close a Post Office, must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where Post Offices are not self-sustaining.” The Postal Service’s view is that the “maximum degree” obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a), (b)(1) and (b)(3); 404(d)(2); and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Petitioner inquires about how the Postal Service attributes revenue credit for stamp sales. It is the Postal Service’s practice to attribute credit for the sale of postage to the retail facility that processes the transaction.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item No. 33, Proposal, at 9. The Postal Service determined

that carrier service is more effective than maintaining the McCallsburg postal facility and postmaster position. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a discontinuance, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on January 29, 2010. Item No. 18, Fact Sheet, at 1. Although the noncareer postmaster relief (PMR) may be separated from the Postal Service upon implementation of the Final Determination, the record shows that no other employee would be affected by this discontinuance. Item No. 33, Proposal, at 9.

Petitioner expresses some concern for the OIC, and suggests that the discontinuance of the McCallsburg Post Office will adversely affect the OIC. According to Petitioner, the OIC is the postmaster of the Garden City Post Office, which is also under discontinuance review. Based on the information provided by the Petitioner, the discontinuance review regarding the Garden City Post Office has the potential for greater impact on the OIC. The Postal Service considered the impact of the closing on the OIC. The Postal Service understands and is sympathetic to the Petitioner's concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the Final Determination.

In the appeal, Petitioner alleges that the Postal Service made no attempt to fill the postmaster vacancy. Over the course of the past few years, the Postal Service has experienced several hiring freezes. Whenever there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means, which was the case here. This is consistent with Handbook PO-101, which provides that a postmaster vacancy is a suitable justification for commencing a discontinuance study. Of course, the vacancy is not the sole factor motivating this discontinuance action; rather, the totality of circumstances supports the administrative decision at issue here.

Accordingly, in making the Final Determination, the Postal Service considered the effect of the discontinuance on the employees of the McCallsburg Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of discontinuing the McCallsburg Post Office on the provision of postal services and on the McCallsburg community, as well as the effect on postal employees, the economic savings that would result from the proposed discontinuance and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to

provide effective and regular service to McCallsburg customers. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record, and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Accordingly, the Postal Service's decision to discontinue the McCallsburg Post Office should be affirmed.

The Postal Service respectfully requests that the Final Determination to discontinue the McCallsburg Post Office be affirmed.

Respectfully submitted,

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